

IN THE SENATE OF THE UNITED STATES.

MARCH 31, 1880.—Ordered to be printed.

Mr. WITHERS, from the Committee on Pensions, submitted the following

REPORT:

[To accompany bill S. 496.]

The Committee on Pensions, to whom was referred the bill S. 496, having given the matter much consideration, report the same with an amendment which is in the nature of a substitute.

The constantly increasing business of the Pension Bureau, the progressive accumulation of claims for pensions, the unavoidable delay in the investigation and adjudication of these claims, and the magnitude of the frauds perpetrated in connection with pensions, have combined to produce a conviction on the minds of all conversant with the subject of the necessity of some change in the existing system. The evils inseparable from the present methods of investigation and adjudication have been repeatedly called to the attention of Congress, both by the Secretary of the Interior and the Commissioner of Pensions, and various propositions looking to a correction of these defects have been, from time to time, submitted to the two houses of Congress, but hitherto without definite results.

The Committee on Pensions recommend the passage of Senate bill 496, as amended, for the reasons hereinafter set forth.

Under the system now in force, the evidence upon which the Commissioner of Pensions settles pension and bounty land claims consists of records in the War and Navy Departments relating to the military and naval service of the soldier or sailor, and to his medical treatment while in such service, civil records, if any which are pertinent, *ex parte* affidavits, privately prepared by the claimant or his attorney, and the certificates of surgeons designated by the government, for the most part in the claimant's immediate neighborhood, and who are paid the fee of \$1 only for each examination.

In so far as claims are sustained by the records, the evidence is all that can well be expected or desired, but the *ex parte* evidence prepared and submitted in the manner above stated, especially if it is offered to establish the title to pension, is, to say the least, very unsatisfactory, while the medical and surgical opinions of the examining surgeons are greatly weakened by reason of their known social and business relations in the community where the claimant resides.

For several successive years the Commissioner of Pensions has discussed this subject in his annual reports, condemning the *ex parte* *parol* evidence and the system of medical examinations, and in this has been sustained by the Secretary of the Interior. Accompanying his criticisms of the present system, the Commissioner has pointed out what he regards as an

efficient remedy for its principal defects, to wit, public proceedings for the prosecution of the claims, with an opportunity for the officers of the government to see and question the witnesses, and the medical examination of the invalid claimants by surgeons who are removed as far as may be from the influences, which, under the present system prejudice, their judgments for or against the claimant.

The committee has caused to be tabulated certain material information, to which attention is invited.

First. A table showing the number of claims for pension, exclusive of claims for increase and for arrears of pension, which have been filed from 1862 to February 28, 1880, inclusive, and also the number of pensions which have been allowed during the same period. This table takes no account of the claims for bounty land warrants; they were comparatively few in number each year, aggregating for the whole period less than 20,000, and the total number of warrants issued during that period was less than 16,000.

The table shows that the total number of claims for pension on account of Army and Navy service and service in the war of 1812, which have been filed since June 30, 1861, is 699,674, and the total number of claims allowed is 409,015.

TABLE 1.—Number of original pension claims filed and allowed from 1862 to February 28, 1880. Claims for increase and arrears of pension and for bounty land-warrants are not included in this table.

For the year ending June 30—	Army.				Navy.				War of 1812.								Aggregate number of applica- tion filed.	Aggregate number of claims al- lowed.
	Applications filed.		Claims allowed.		Applica- tions filed.		Claims allowed.		Act of February 14, 1871.				Act of March 9, 1878.					
									Applications filed.		Claims allowed.		Applications filed.		Claims allowed.			
	Invalids.	Widows, &c.	Invalids.	Widows, &c.	Invalids.	Widows, &c.	Invalids.	Widows, &c.	Survivors.	Widows of &c.	Survivors.	Widows of &c.	Survivors.	Widows of &c.	Survivors.	Widows of &c.		
1862	1,302	1,000	335		60	65	78	49									2,487	462
1863	26,380	22,377	3,938	3,630	290	285	183	133									49,332	7,884
1864	20,263	32,627	16,770	22,198	385	324	271	248									53,599	39,487
1865	27,299	44,464	14,962	24,693	455	466	250	266									72,684	40,171
1866	35,799	28,732	22,645	27,076	350	375	238	218									65,256	50,177
1867	15,905	20,265	16,452	19,660	250	333	137	233									36,753	36,482
1868	7,292	13,099	9,325	19,242	170	207	135	219									20,768	28,921
1869	11,035	14,496	7,120	15,695	290	245	172	209									26,066	23,196
1870	12,991	11,400	5,572	12,340	260	200	149	160									24,851	18,221
1871	8,837	8,985	7,807	8,282	190	142	127	117	20,741	5,074	198	31					43,969	16,562
1872	8,857	6,755	6,317	7,120	240	178	151	124	6,546	3,815	17,504	3,117					26,391	34,333
1873	8,728	6,427	6,422	3,949	248	120	129	124	1,481	1,299	3,186	2,242					18,303	16,052
1874	9,302	5,603	5,758	3,051	228	151	179	101	737	713	563	810					16,734	10,462
1875	11,926	5,294	5,598	4,614	310	178	162	122	425	571	240	416					18,704	11,152
1876	17,030	5,264	5,225	4,292	344	130	135	84	319	436	73	168					23,523	9,977
1877	16,532	5,269	7,134	3,790	271	97	148	71	198	348	57	126					22,715	11,326
1878	18,812	6,661	7,308	3,456	300	131	106	94	159	284	21	48	2,627	15,613	796	133	44,587	11,962
1879	36,835	9,767	7,122	3,259	599	215	120	120	66	97	57	52	745	8,794	2,491	18,125	57,118	31,346
From July to Febru- ary 28, 1880	57,257	15,353	4,121	2,592	677	287	182	97	20	34	41	28	189	2,017	182	3,599	75,834	10,842
	352,442	263,838	159,931	188,939	5,917	4,129	3,052	2,789	30,692	12,671	21,940	7,038	3,561	26,424	3,469	21,857	699,674	409,015

Second. A table showing the number of unsettled claims of all kind pending in the Pension Office March 1, 1880.

After deducting the unsettled claims, which will probably never again be called up for consideration, the number of unsettled and pending claims of all kinds at that date was 248,732.

TABLE 2.—Statement showing (1st) the number of claims not allowed, as shown by the difference between the aggregate receipts and aggregate allowances since 1862; (2d) the number of pending claims, as shown by an actual count of the files; and (3d) the difference between the two aggregates explained, and the actual number of pending claims on the 1st of March, 1880.

Classes of claims.	Number of claims not allowed, as shown by the total allowances deducted from the total receipts since 1862.	Number of pending claims March 1, 1880, as shown by an actual count of the files.
Army invalids	192,511	188,489
Army widows, minors, and dependent relatives	74,899	63,771
Navy invalids	2,865	981
Navy widows, minors, and dependent relatives	1,340	153
War of 1812, survivors	8,844	635
War of 1812, widows of, &c	10,200	3,073
Bounty land	2,562	2,562
Increase	13,073	12,559
Arrears	1,509	1,509
Total	307,803	273,732
Difference between the two results accounted for		34,071
Army invalid cases, consolidated with the cases of widows, minors, and dependent relatives	4,022	
Army widows' cases consolidated with the cases of minors of the soldier	11,128	
Navy invalid cases on the rejected files	1,884	
Navy widows', minors', and dependent relatives' cases on the rejected files	1,187	
Cases of the survivors of the war of 1812 on the rejected files	8,209	
Cases of the widows of the soldiers of the war of 1812 on the rejected files	7,127	
Claims for increase in Congress, in the secret service division, &c	514	
Total	34,071	34,071
Total number of cases in the pending files by actual count brought forward	273,732	
There are, in addition to the 34,071, many cases in the files which will never again be called up for action. They represent claimants who have died leaving no person who can succeed to the pension, with some others, which, it is believed, will not be called up again because the claimants are content with an adverse decision. These are estimated at	25,000	
Leaving a total of pending claims of all classes		248,732

Third. A table showing the work of settling pension claims from 1862 to 1879, inclusive, the whole work of each year reduced to the basis of Army and Navy, original invalid, and widow claims, computing six claims for increase of pension as equal to one of the said original claims, and four claims for pension on account of service in the war of 1812 and for bounty land warrants as equal to one of the aforesaid originals. Also the several appropriations, salaries of officers and employes of the Pension Office, expenses of special agents in investigating frauds, contingent fund of the office, and the fees of examining surgeons, and the average expense per case for settling the claims, the whole work in the adjustment of cases being reduced to the aforesaid basis of Army and Navy, invalids', and widows' claims, and the entire office expense charged to the work of adjusting the claims.

The fees of examining surgeons are excluded from the averages. Showing the cost per case of settling claims from June 30, 1863, to June 30, 1869, to have ranged from \$4.24 per case in 1864 to \$9.13 per case in 1869, and from June 30, 1869, to June 30, 1876, from \$16.90 to \$32.40, and from June 30, 1876, to June 30, 1879, from \$25.41 down to \$18.70.

TABLE 3.—Table of average work of the Pension Bureau in the adjustment of pensions, from 1862 to 1879, inclusive; also, average expense to each case settled during the same period in salaries, expenses of investigations, and contingent expenses, excluding from such average the fees of examining surgeons. The increase, 1812, and bounty-land cases are reduced to the basis of original Army and Navy invalid and widows' claims.

Year.	Number of claims settled.				Appropriations for—					Average cost of settlement per case, all claims reduced to the basis of Army and Navy originals.
	Army and Navy original invalid and widows' pension claims.	Army and Navy claims for increase of pensions reduced to originals, counting 6 increase for 1 original.	Claims for pension for service in the war of 1812, and claims for bounty-land reduced to Army and Navy original claims, counting 4 for 1 of such originals.	Total number of claims settled, all being reduced to the basis of Army and Navy original claims.	Salaries of officers and employes of the Pension Office.	Expenses of investigating fraud.	Contingent fund of the office.	Fees of examining surgeons.	Total appropriations.	
1862*....	766	150	1, 636	1, 200	\$82, 340	.....	\$15, 000	.....	\$97, 340	\$81 11
1863*....	9, 477	25	409	9, 644	165, 040	\$2, 500	10, 000	.....	177, 540	18 40
1864*....	47, 385	102	602	47, 885	185, 840	2, 500	15, 000	.....	203, 340	4 24
1865*....	48, 188	17	150	48, 298	236, 340	2, 500	12, 000	.....	250, 840	5 18
1866*....	51, 209	284	453	51, 576	257, 920	2, 500	15, 000	.....	275, 420	5 34
1867*....	43, 689	47	116	51, 190	261, 340	2, 500	15, 000	.....	278, 840	5 44
1868*....	34, 505	487	29	41, 779	257, 920	10, 000	22, 000	.....	289, 920	6 93
1869*....	47, 767	81	116	51, 069	426, 440	20, 000	20, 000	.....	466, 440	9 13
1870*....	20, 245	1, 594	406	22, 138	334, 240	25, 000	15, 000	.....	374, 240	16 90
1871*....	18, 148	266	101	21, 708	367, 418	30, 000	29, 000	.....	426, 418	19 64
1872*....	18, 283	43, 581	954	25, 811	421, 160	30, 000	17, 000	.....	468, 160	18 13
1873.....	15, 099	7, 263	238	22, 349	471, 609	40, 000	12, 500	\$100, 000	624, 109	23 45
1874.....	11, 906	42, 029	1, 077	17, 399	445, 580	40, 000	12, 500	200, 000	698, 080	28 62
1875.....	13, 870	7, 005	269	18, 423	453, 700	40, 000	12, 500	100, 000	606, 200	27 47
1876.....	13, 489	17, 341	1, 650	16, 425	479, 780	40, 000	12, 500	225, 000	757, 280	32 40
1877.....	17, 224	2, 890	412	20, 231	446, 680	50, 000	17, 500	101, 000	615, 180	25 41
1878.....	20, 274	8, 727	1, 758	24, 365	444, 430	40, 000	16, 500	237, 600	738, 530	20 55
1879.....	19, 841	4, 594	439	28, 987	488, 330	40, 000	14, 000	51, 000	593, 330	18 70
		6, 973	2, 795							
		25, 134	25, 466							
		4, 189	6, 366							
		27, 231	12, 242							
		4, 538	3, 061							
		22, 145	3, 422							
		3, 674	955							
		13, 272	3, 516							
		2, 612	879							
		16, 773	1, 297							
		2, 795	324							
		21, 378	847							
		3, 563	212							
		17, 541	2, 112							
		2, 923	528							
			24, 893							
			6, 223							

*Examining surgeons' fees during these years were paid by the government only when the examination was ordered. Since 1868, no examinations were made except they were ordered previously to 1868. The claimant was examined on his own motion, and in that case paid the fees himself. The fees to examining surgeons were paid from the pensions appropriations.

Fourth. A table of frauds, showing the number of investigations made by the special agents in each of the years 1877, 1878, and 1879, the num-

ber of pensioners dropped from the rolls, the number of claims disallowed through the investigations, the annual appropriations for the expenses of the special agents, and the amount expended by them, with an additional statement showing the amount of money paid out in fraudulent cases, and the amount saved to the government by the discovery of the frauds before payment, during the three years.

TABLE 4.—*Table and statement of fraud.*

Year.	No. of pension claims investigated.	No. of pensioners dropped from rolls.			Pending original claims rejected.			Appropriation and expenses.	
		Invalids.	Widows, &c.	Total.	Invalids.	Widows, &c.	Total.	Appropriation.	Expenses.
1877	1,816	146	299	445	152	182	334	\$50,000 00	\$40,022 78
1878	1,830	180	271	451	223	257	480	40,000 00	38,235 80
1879	1,485	154	202	356	242	226	468	40,000 00	35,841 25
Total ..	5,131	480	772	1,252	617	665	1,282	130,000 00	114,099 83

In addition to the 1,252 pensions dropped through the investigations, 121 invalids and 52 widows, minors, and dependent relatives were dropped upon evidence otherwise obtained, making a total of 1,425 pensions dropped as fraudulent. Of these, 480 invalids and 386 widows, minors, and dependent relatives, a total of 866, were never entitled to receive pensions. The balance, 559, were entitled when their pensions were granted, but continued to collect their pensions after their right had terminated, by reason of remarriage in cases of widows, or as in cases of mothers and fathers ceasing to be dependent upon the soldier.

A computation of the amount paid before the discovery of the fraud in the case of 232 invalids, and 268 widows, minors, and dependent relatives, 500 in all, shows that the invalids received \$228,691.02, an average of \$985.73+ each; and the widows \$299,243.98, an average of \$1,116.58+ each; a total of \$527,935. These averages, applied to the other 248 invalids and 118 widows, &c., give an additional sum paid to these pensioners of \$376,219.41, or a total of \$904,154.41.

The amount illegally drawn by the 559 others, who once had title, is not computed.

The amount saved to the government by the disallowance of the 1,282 fraudulent pension claims is estimated upon the basis of the averages in 40,000 arrears cases lately paid.

The average period for which the arrears was computed was nine years. The average payment of arrears to invalids was \$487.01.

The average payment of arrears to widows, &c., was \$948.67.

Of the 1,282 cases, 617 were invalids, and 665 were cases of widows, &c. If they had not been disallowed, but admitted, their average arrears period would have been fifteen years.

617 invalids, average for nine years, at \$487.01 per case.....	\$300,485 17	
Add for six years, 6-9	200,323 44	
		\$500,808 61
665 widows, &c., average for nine years, at \$948.67 per case..	630,865 55	
Add for six years, 6-9	420,557 04	
		1,051,442 59
Total saved		1,552,251 20
Total paid to fraudulent pensioners		904,154 41
Aggregate		2,456,405 61

A small percentage of the dropped pensions have been or will be restored to the rolls, and of the disallowed cases reopened and finally admitted, but not exceeding five per cent. of the former and ten per cent. of the latter.

An examination was made into the 500 cases in which the actual payments are computed for the purpose of classifying the witnesses and their evidence, with the following result:

The 232 invalids presented in support of their claims 1,609 affidavits and certificates, 1,245 of which were false. Of the false affidavits and certificates, 291 were made by officers of their commands, 185 by comrades, and 769 by other persons. There were also sixteen forgeries.

The 268 widows, &c., presented in support of their claims 2,889 affidavits and certificates, 1,925 of which were false, 89 were made by officers of the soldiers' commands, 67 by comrades, and 1,769 by other persons. There were also ninety-seven forgeries.

Fifth. Table 11, page 21, of the last annual report of the Commissioner of Pensions, and table 7, page 16, of said report:

TABLE 11.—Number of pensioners on the roll at the termination of each fiscal year since 1861.

For the year ending June 30—	Invalids.	Widows, &c.	Total.	Addition.	Reduction.
1861	4,337	4,299	8,636		
1862	4,341	3,818	8,169		467
1863	7,821	6,970	14,791	6,622	
1864	23,479	27,656	41,135	26,344	
1865	35,880	50,106	85,986	44,851	
1866	55,652	71,070	126,722	40,736	
1867	69,565	83,618	153,184	26,462	
1868	75,957	93,686	169,643	16,459	
1869	82,859	105,104	187,963	18,320	
1870	87,521	111,165	198,686	10,723	
1871	93,394	114,101	207,495	8,809	
1872	113,954	118,275	232,229	24,734	
1873	119,500	118,911	238,411	6,182	
1874	121,628	114,613	236,241		2,170
1875	122,989	111,832	234,821		1,420
1876	124,239	107,898	232,137		2,684
1877	128,723	103,381	232,104		33
1878	131,649	92,349	223,998		8,106
1879	138,615	104,140	242,755	18,757	

In the above are included those pensioned for service during the war of 1812; also the widows of the soldiers and sailors of that war.

TABLE 7.—Comparative statement, by agencies, of the number of pensioners on the rolls at the beginning and close of the year.

Location of agency.		Army.		Navy.		War of 1812.		Total number of pensioners on the roll June 30, 1879.	Total number of pensioners on the roll June 30, 1878.
City.	State.	Invalids.	Widows, &c.	Invalids.	Widows, &c.	Survivors.	Widows of, &c.		
Boston	Massachusetts	8,635	7,175	395	373	812	1,785	19,175	17,190
Canandaigua	New York	8,787	6,194			1,141	1,955	18,077	16,264
Chicago	Illinois	11,247	5,825	63	36	527	1,758	18,456	18,272
Columbus	Ohio	11,974	8,305	39	70	991	1,724	23,103	21,737
Concord	New Hampshire	9,040	7,114	119	109	1,415	2,843	20,640	17,554
Des Moines	Iowa	6,989	2,727			260	391	10,367	9,923
Detroit	Michigan	6,494	3,232	21	25	431	545	10,748	10,299
Indianapolis	Indiana	9,119	4,912			325	585	14,941	14,791
Knoxville	Tennessee	3,935	4,913	65	77	2,544	4,887	16,421	12,590
Louisville	Kentucky	2,242	3,048	5	14	486	798	6,593	6,015
Milwaukee	Wisconsin	5,991	3,390	21	22	278	321	10,023	9,701
New York City	New York	6,396	5,632	405	356	701	1,112	14,602	14,292
Philadelphia	Pennsylvania	8,456	5,767	265	296	379	951	16,094	15,373
Pittsburgh	Pennsylvania	7,084	4,188	38	34	274	607	12,225	11,462
Saint Louis	Missouri	7,593	3,397	26	17	428	581	12,042	11,768
San Francisco	California	1,056	268	48	14	58	54	1,498	1,430
Washington	Dist. of Columbia	10,112	5,087	334	329	571	1,317	17,750	15,397
Total		125,150	81,174	1,844	1,772	11,621	21,194	242,755	223,998

Exclusive of the \$25,000,000 appropriated by the act of March 3, 1879, for the payment of the arrears of pension in the cases which were already borne upon the rolls, nearly the whole of which has already

been expended, it will require to pay the pensions for the current year \$35,816,000; and it is the opinion of the Commissioner that, for the year ending June 30, 1881, it will require for the payment of the pensions \$40,000,000, and the amount for the payment of pensions will continue to increase for several years thereafter.

The first payments upon newly-allowed pensions, during the current year, will alone aggregate nine or ten million; and the first payments will of necessity continue to increase until the great body of the claims shall have been disposed of.

Table 2 shows that, excluding all claims on account of service in the war of 1812, claims for bounty land warrants, and claims for increase and for arrears of pensions, there were in the Pension Office and undetermined, on the 1st day of March, 228,394 original claims for pensions of invalid soldiers, and widows, minors, and dependent relatives, involving an amount in first payments of not less than \$180,000,000.

Table 1 shows that these claims have been accumulating for many years; that Army invalid claims have for several years last past been coming forward at a constantly increasing rate, and more latterly at a rate entirely unprecedented in the history of the office.

Table 3 shows that, with constantly increasing appropriations for clerical force from 1869 down, the number of claims settled has fallen off year by year until 1877, since which time there has been some little improvement; and the expense attached to each case has grown from \$6.93 in 1868 to \$32.40 in 1876, since which time the average expense has been somewhat reduced. It also shows that the greatest number of original claims of invalids and widows, &c. (excluding the current claims for increase and arrears of pensions, claims for bounty land warrants, and claims for pension on account of service in the war of 1812), which the office has been able to settle in any year since 1869 is 20,274, settled in 1878; which number, considering the great increase of other current work, may be taken as near the maximum number which the present force will be able to settle under the present system.

It will therefore be observed that it will require several years to settle the claims which have already been filed, to say nothing of the eight thousand new claims which are coming forward each month.

Table 4 shows that under the present system enormous sums of money are being drawn from the Treasury through fraud by persons who are not entitled to pensions, and that many perjuries and forgeries are committed in pension claims; and when it is remembered that under the system now in force the Commissioner is not authorized to send out agents to search for fraudulent cases, but must wait until reasonable suspicion has attached to a case before he can order an investigation, it will be seen that the discovery of these frauds must be left mainly to accident, and therefore that the frauds discovered are probably very few in comparison to the whole number which exist.

Tables 7 and 11, from the Commissioner's annual report, are here submitted only to complete the history of the pension service, by exhibiting the growth and present magnitude of the pension list.

With the facts presented in these tables before the Senate, and considered in connection with the fact that it requires for the current pensions for the present year little less than thirty-six million dollars, the committee need not attempt to emphasize the importance of the subject which it has been considering, to wit, whether these thousands of pension claims shall continue to be adjusted, and these vast sums of money continue to be expended, under a system for the production of evidence in support of claims upon the fund which has for centuries fallen into

disuse among enlightened nations in the settlement of important questions in which the government is interested, as well as in the settlement of questions arising between citizens.

It is the opinion of the committee that a proper regard for the rights of the people at large, as well as for the interests of all persons who under the provisions of the pension laws are entitled to pensions, require a reconstruction of the system for settling the pension claims upon such a basis as will furnish reasonable security to the government against fraud and deception, and promptly settle the vast number of claims which have accumulated, as well as those which will hereafter be filed.

The original bill, S. 496, had four principal objects in view:

First. To secure public proceedings in the preparation and prosecution of pension claims;

Second. To submit the claimant's evidence to a reasonable scrutiny by officers of the government;

Third. To obtain for pensioners and pension claimants, when necessary, an intelligent, careful, and exhaustive medical examination; and,

Fourth. An early settlement of the meritorious claims.

The committee believe that if the parol evidence offered by claimants in support of their claims can be taken in a simple and convenient form of public proceedings in the vicinity where the claimants and witnesses reside, and in the presence of authorized officers of the government, who may question them in relation to their means of knowledge of the facts to which they testify, and the medical examinations be made under similar conditions, the frauds upon the government through the pension laws will be vastly reduced, the settlement of the meritorious claims greatly hastened, and at the same time the claimants be relieved from many of the obstacles which they now encounter, and the expenses of obtaining their evidence considerably lessened, and that such proceedings will render unnecessary the longer continuance of the present method of investigating suspected frauds.

Many objections have been presented to the committee and to individual members thereof, by remonstrance and private letters, and in written arguments by gentlemen engaged in prosecuting pension claims. Without consuming time in the discussion of these objections, it is sufficient here to state that the committee has prepared the substitute for the original bill with the view of eliminating the features which were most strenuously objected to, and believe that in the substitute a measure is presented which will accomplish the objects sought by the original bill, without subjecting the claimants to the inconveniences and expenses which it was alleged they would be subjected to under the bill as originally introduced.

But one further comment need be offered by the committee in submitting the substitute bill to the Senate, and that relates to a comparison of the cost to the government of settling the claims between the present system and the one proposed. The committee is informed by the Commissioner of Pensions that under the system now in force the average number of witnesses upon all points in an invalid claim does not exceed six, and in the claims of widows, minors, and dependent relatives does not exceed eight. Upon this basis the expense to pension examiners and surgeons in an invalid claim would be, for the declaration 50 cents, six witnesses \$3, one medical examination \$2.50, total \$6; add for the contingency of additional medical examination, at the rate of about one in every three cases, making a total average expense for pen-

sion examiners and surgeons in each invalid claim \$6.83, and for a claim of the widow's class, declaration 50 cents, eight witnesses \$4, total \$4.50.

In addition to this, it may be safely assumed that the cost of settling the claims when the evidence shall have been forwarded to the office will not exceed the average cost of settling the claims which were settled during the year 1868, which was \$6.93. This would give a total average cost for settling invalid claims of \$13.73, and for settling claims of the widow class of \$11.43.

The average cost of settling the claims of all classes in 1879, as shown in table 3, was \$18.70, and if the expenses of the examining surgeons is added, the average cost is increased to a little more than \$20 per case.

It thus appears that, making the most liberal estimate for expenses under the proposed bill, there will be a saving in the expenses of adjusting the claims of more than \$6 in the invalid case, and upwards of \$8.50 in the cases of widows, minors, and dependent relatives.

But this is not all. The Commissioner of Pensions informs the committee that it is his opinion that the low average cost for 1879 cannot be expected to be maintained for any considerable period of years with the present system, for the obvious reason that the difficulties which attend the settlement of the cases increase as we get further away from the war period, while the committee agree with him in the view that under the proposed system, which will fairly test the truth of the testimony offered, fewer witnesses will be required to establish the claims than under the system where the office endeavors to make up for the unsatisfactory character of the *ex parte* affidavits requiring accumulative evidence.

The probable reduction of the expenses on account of salaries of clerks in the Pension Office under the substitute bill ought also to be mentioned in this connection.

The committee is informed by the Commissioner that if the bill shall become a law a great deal of the correspondence, both with the claimants and with members of Congress, in relation to claims pending in his office will of necessity fall off, and that the regular work connected with the claims will also be much reduced, and that it is his opinion that the appropriations for clerical service in the Pension Office may properly be reduced from 30 to 40 per cent. as soon as the new system shall have been fully inaugurated.

Believing, therefore, that the provisions of the proposed bill will secure to honest claimants more correct and speedy action on their applications and with less trouble and expense; that the interests of the government will be better protected by the additional safeguards which it provides against fraudulent claims, and that these benefits will be realized at less cost than is possible under the existing system, the committee recommend its passage.